



台灣大哥大  
Taiwan Mobile

# Taiwan Mobile Co., Ltd. 2Q20 Results Summary

Aug. 4<sup>th</sup> 2020



# Disclaimer

**The information contained in this presentation, including all forward-looking information, is subject to change without notice, whether as a result of new information, future events or otherwise, and Taiwan Mobile Co., Ltd. (the “Company”) undertakes no obligation to update or revise the information contained in this presentation. No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, nor is the information intended to be a complete statement of the Company, markets or developments referred to in this presentation.**



# Business Overview



# 2Q20 Operational Highlights

**Soft Demand for High-end Handsets**



**Readying for 5G Launch**



**Robust e-commerce Performance at momo**



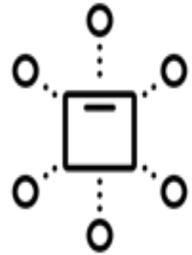
**104%**

**Achievement Ratio  
for 2Q20 Net Income**



# Versatility in Telecom Business

## 2Q20 results



**Double Play bundles**



Mobile Data  
+  
Fixed Broadband



**+40% YoY**

**IoT connections**



**+NT\$46 YoY**

handset bundle plan tariff  
of new sign-ups



**+35% YoY**

**ICT/IoT/Cloud**  
service revenue



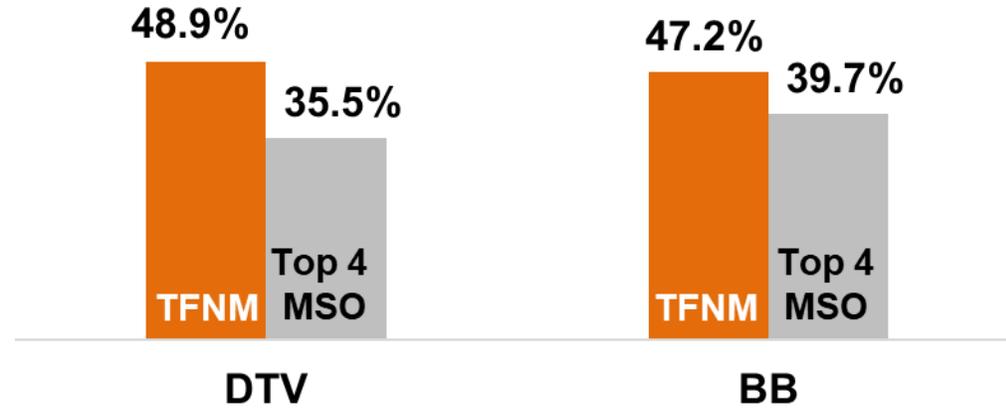
# Resilience in Pay-TV Business

## 2Q20 Basic TV Subscribers

('000)	Subscribers	YoY
TFNM	551	-1.3%
Top 4 MSO	3,501	-2.1%

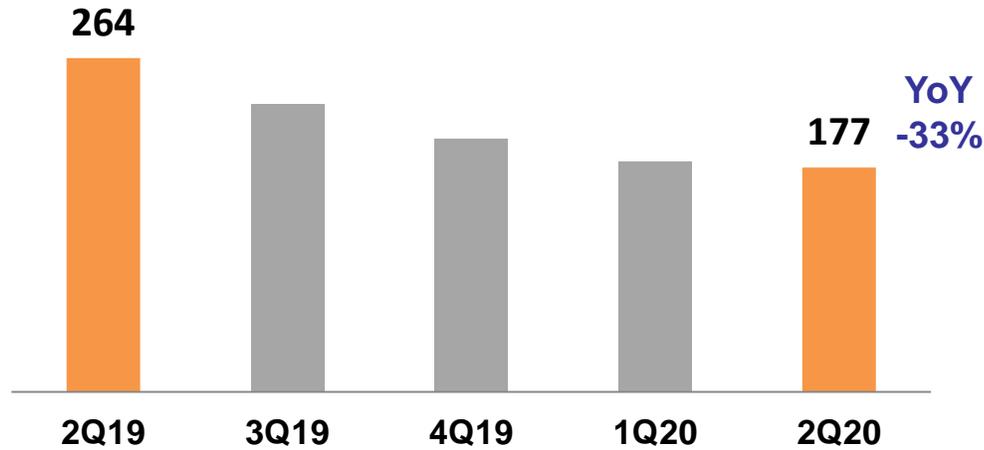
Source: Market intelligence

## 2Q20 Penetration Rate

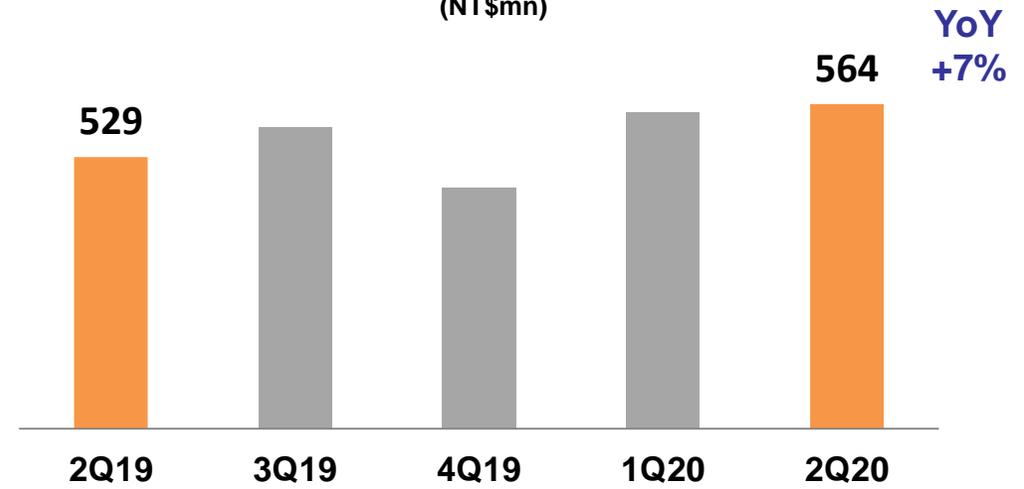


Source: Market intelligence

## D&A (NT\$mn)

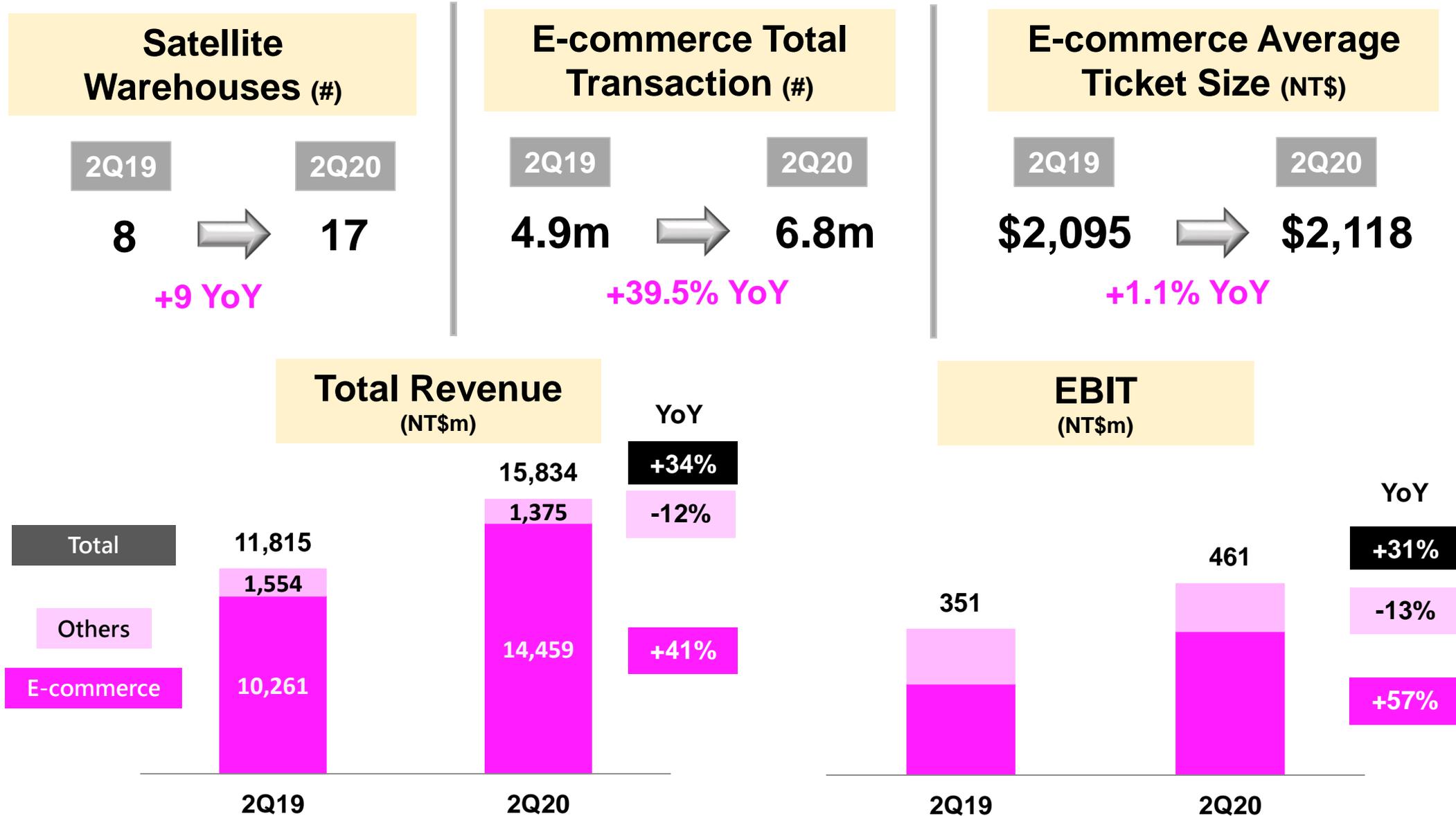


## EBIT (NT\$mn)





# momo – the Growth Engine





# Financial Overview



# Performance by Business

NT\$bn	Revenue				EBIT			
	Telecom	CATV	momo	Total <sup>1</sup>	Telecom	CATV	momo	Total <sup>1</sup>
<b>2Q20</b>	<b>14.36</b>	<b>1.54</b>	<b>15.83</b>	<b>31.34</b>	<b>3.04</b>	<b>0.56</b>	<b>0.46</b>	<b>4.13</b>
<b>% of total</b>	<b>46%</b>	<b>5%</b>	<b>51%</b>	<b>100%</b>	<b>73%</b>	<b>14%</b>	<b>11%</b>	<b>100%</b>
<b>2Q20 YoY</b>	<b>-12%</b>	<b>0%</b>	<b>34%</b>	<b>6%</b>	<b>-11%</b>	<b>7%</b>	<b>31%</b>	<b>-4%</b>
<b>1Q20 YoY</b>	<b>-6%</b>	<b>-1%</b>	<b>29%</b>	<b>7%</b>	<b>2%</b>	<b>10%</b>	<b>24%</b>	<b>6%</b>

1. The sum of each account of telecom, CATV and momo does not equal to the consolidated total number due to other revenue and inter company eliminations.



# Results Summary

NT\$bn	2Q20			1H20		
	Amount	YoY	% of 2Q guidance	Amount	YoY	% of full year guidance
Revenues	31.34	6%	99%	63.19	6%	47%
Cash Cost & Expense	(23.63)	12%	99%	(47.38)	11%	46%
Operating Income	4.13	-4%	100%	8.61	1%	55%
Non-op. Income (Exp.)	(0.00)	-95%	2%	(0.16)	-35%	16%
Pre-tax Income	4.13	-2%	107%	8.46	2%	57%
Net Income	3.05	-5%	104%	6.36	1%	57%
EPS <sup>1</sup> (NT\$)	1.08	-7%	104%	2.26	-1%	57%
EBITDA	7.71	-8%	99%	15.81	-6%	50%

1. EPS is based on share count of 2.811bn.



# Balance Sheet Analysis

NT\$bn	2Q20	1Q20	2Q19
<b>Total Assets</b>	<b>177.39</b>	<b>178.73</b>	<b>153.60</b>
Current Assets	30.27	30.69	27.10
- Cash & Cash Equivalents	8.24	9.10	6.77
- Receivable & Contract Assets	13.77	13.49	14.60
- Inventories	3.72	3.77	4.08
- Other Current Assets	4.54	4.32	1.64
Non-current Assets	147.12	148.05	126.51
- Long-term Investment	3.57	3.00	7.36
- Property and Equipment	38.55	38.35	40.74
- Right-of-use Assets	9.21	9.54	9.67
- Concession	66.96	67.66	39.12
- Other Non-current & Contract Assets	28.84	29.50	29.63

	2Q20	1Q20	2Q19
<b>Current Ratio</b>	<b>50%</b>	<b>59%</b>	<b>54%</b>
<b>Net Debt to Equity</b>	<b>81%</b>	<b>76%</b>	<b>48%</b>
<b>Net Debt to EBITDA (x)</b>	<b>1.68</b>	<b>1.81</b>	<b>0.91</b>
<b>ROE<sup>1</sup> (annualized)</b>	<b>18%</b>	<b>18%</b>	<b>19%</b>

NT\$bn	2Q20	1Q20	2Q19
<b>Liabilities</b>	<b>110.89</b>	<b>102.56</b>	<b>89.18</b>
Current Liabilities	60.18	51.60	49.76
- ST Debts	21.69	26.63	8.70
- Accounts & Notes Payable	8.35	7.70	7.14
- Current Lease Liabilities	3.53	3.58	3.42
- Other Current Liabilities	26.61	13.69	30.50
Non-current Liabilities	50.71	50.96	39.42
- Long-term Borrowings	40.37	40.42	28.73
- Non-current Lease Liabilities	5.68	5.93	6.19
- Other Non-current Liabilities	4.66	4.61	4.50
<b>Shareholders' Equity</b>	<b>66.50</b>	<b>76.18</b>	<b>64.42</b>
Paid-in Capital	35.09	35.09	34.68
Capital Surplus	18.68	20.28	16.65
Legal Reserve	30.17	28.92	28.92
Treasury Shares	(29.72)	(29.72)	(29.72)
Un-appropriated Earnings	0.00	0.49	0.49
Non-controlling Interest	6.02	6.40	5.86
Retained Earnings & Others <sup>2</sup>	6.24	14.71	7.53

1. ROE = Accumulated Net Income (Annualized) / Average Shareholders' Equity

2. Including accumulated profits and other equity items.



# Cash Flow Analysis

NT\$bn	2Q20	1Q20	2Q19
Operating	7.47	9.24	7.07
Investing	(1.54)	(31.79)	(1.37)
Financing	(6.79)	22.99	(6.76)

NT\$bn	2Q20	1Q20	2Q19
Pre-IFRS 16 Operating <sup>1</sup>	6.50	8.21	6.12
Cash CAPEX <sup>2</sup>	(1.90)	(1.65)	(1.38)
Free Cash Flow <sup>2</sup>	4.60	6.56	4.73

1. "Lease expenses" previously under operating activities was reclassified into financing cash flow and investing cash flow (to a lesser extent) in accordance with IFRS 16 in 2019.

2. Excluding 5G License Fees



# Event Updates



# Events, Awards and Recognition

- **TWM launched commercial 5G services on July 1<sup>st</sup>, 2020.**
- **Honored with the 2020 “Annual CSR Survey – Telecom Service Industry” award and “Eco-friendly” award from Global Views Monthly.**
- **Ranked among the top 5% of listed companies in the “Corporate Governance Evaluation” conducted by the Taiwan Stock Exchange and Taipei Exchange, for the sixth year in a row.**



# Key Message

**Taiwan's big 3 mobile operators have entered the new era with restrained pricing and a consensus on 5G unlimited data plans starting from NT\$1,399 a month. As 5G iPhone and the likes arrive alongside continuous network build-out, we expect 5G service adoptions to accelerate, and hence, increase bundle sales of high-end phones for our telecom business. At the same time, we expect momo to continue to thrive in this new normal and its investments into logistics should give it increasing advantage over its peers.**



台灣大哥大  
Taiwan Mobile

